



Town of Frederick  
Board of Trustees Agenda  
Frederick Town Hall  
Board Chambers  
401 Locust Street  
Tuesday, July 26, 2016

**6:30 P.M.**  
**Work Session**  
General Discussion

**7:00 P.M.**  
**Regular Meeting**

**Call to Order – Roll Call:**

**Pledge of Allegiance:**

**Approval of Agenda:**

**Recess to Liquor Licensing Authority Meeting:**

**Liquor Licensing Authority**

**Call to Order – Roll Call:**

**Consent Agenda:**

1. Approval of June 28, 2016 Minutes – Meghan Martinez, Secretary

**Action Agenda:**

2. Consideration of a Temporary Modification of Premises for Echo Brewing Company – Kristin Brown, Town Prosecutor

**Work Session:** General Discussion

**Special Presentations:**

**Public Comment:** This portion of the Agenda is provided to allow members of the audience to provide comments to the Town Board. Please sign in and the Mayor will call you. If your comments or concerns require an action, that item(s) will need to be placed on a later Agenda. Please limit the time of your comments to three (3) minutes.

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**Staff Reports:**

- A. Administrative Report – Matt LeCerf, Town Manager
- B. Town Clerk's Report – Meghan Martinez, Town Clerk
- C. Town Attorney's Report – Rick Samson, Town Attorney

**Consent Agenda:** Consent Agenda items are considered to be routine and will be enacted by one motion and vote. There will be no separate discussion of Consent Agenda Items unless a Board member so requests, in which case the item may be removed from the Consent Agenda and considered at the end of the Consent Agenda

- D. Approval of July 12, 2016 Minutes – Meghan Martinez, Town Clerk
- E. Resolution 16-R-47 For the Intergovernmental Agreement between the Town of Frederick and the St. Vrain Valley School District RE1J for a Joint School Resource Officer Program – Gary Barbour, Police Chief

**Action Agenda:****Discussion Agenda:**

- F. Financing Options for Acquisition of Water – Matt LeCerf, Town Manager

**Mayor and Trustee Reports:**



# TOWN OF FREDERICK LIQUOR LICENSING AUTHORITY

## MEETING MINUTES

FREDERICK TOWN HALL, 401 LOCUST STREET

JUNE 28, 2016

**Call to Order:** At 7:01 Chairman Carey called the meeting of the Liquor Licensing Authority to order.

**Roll Call:** Present were Chairman Carey, Vice Chair Brown and Authority Members Skates, DeSantis, and Figurilli. Authority Members Hudziak and Burnham were not present. Also present were Authority Secretary Meghan Martinez, Town Manager Matt LeCerf, and Town Attorney Rick Samson.

### **Consent Agenda:**

Motion by Authority Member Skates and seconded by Vice Chair Brown to approve the following items on the consent agenda:

1. April 12, 2016 Minutes

Upon roll call vote, motion passed unanimously.

### **Action Agenda:**

**Request for Temporary Modification of Premises for The Smokehouse:** Secretary Meghan Martinez presented the proposed temporary modification of premises for The Smokehouse. Paula Swanson was present on behalf of the applicant and addressed the Authority.

Motion by Vice Chair Brown and seconded by Authority Member Skates to approve the temporary modification of premises for The Smokehouse. Upon roll call vote, motion passed unanimously.

There being no further business of the Authority, Chairman Carey adjourned the meeting at 7:10 p.m.

Approved by the Liquor Licensing Authority:

ATTEST:

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Tony Carey, Chair

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Meghan C. Martinez, Secretary

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# TOWN OF FREDERICK MEMORANDUM

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TO: Honorable Mayor Tony Carey and Board of Trustees

FROM: Meghan Martinez, Town Clerk

DATE: July 20, 2016

**SUBJECT: Town Clerk Report**

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- *Liquor Licensing.*
  - Approved Special Event Permit for Colorado Craft Beer Roundup
  - Reviewing H&R license renewal application for Pete's Place.
  - Reviewed request for Temporary Modification of Premises for Echo Brewing
  - Reviewing Brew Pub license renewal application for Echo Brewing Company
- *Open Records Request.*
  - Responded to one request for building permit information related to homes in Carriage Hills Filing 1
- *Election Certification.*
  - Working on Election Official Certification through the Colorado Secretary of State's Office
- *Community Funding Program*
  - Working with Attorney Samson to amend the application. We should have a draft for review by the end of August.
- *Commissions.*
  - The following commissions have vacancies
    - Parks, Open Space, and Trails Commission
    - Frederick Arts Commission
    - Historic Preservation Advisory Commission
  - Working with Attorney Samson to review commission sections of the Frederick Municipal Code

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# Town of Frederick Memorandum

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TO: Honorable Mayor Carey & Board of Trustees

FROM: Linda Glantz

DATE: July 26, 2016

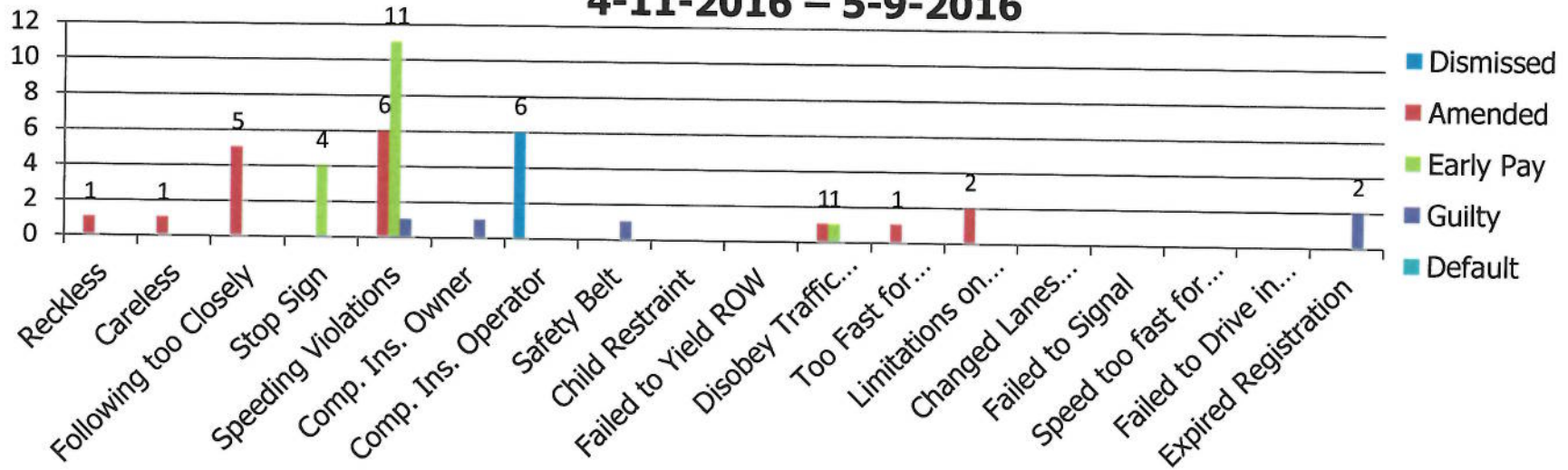
SUBJECT: Municipal Court Report

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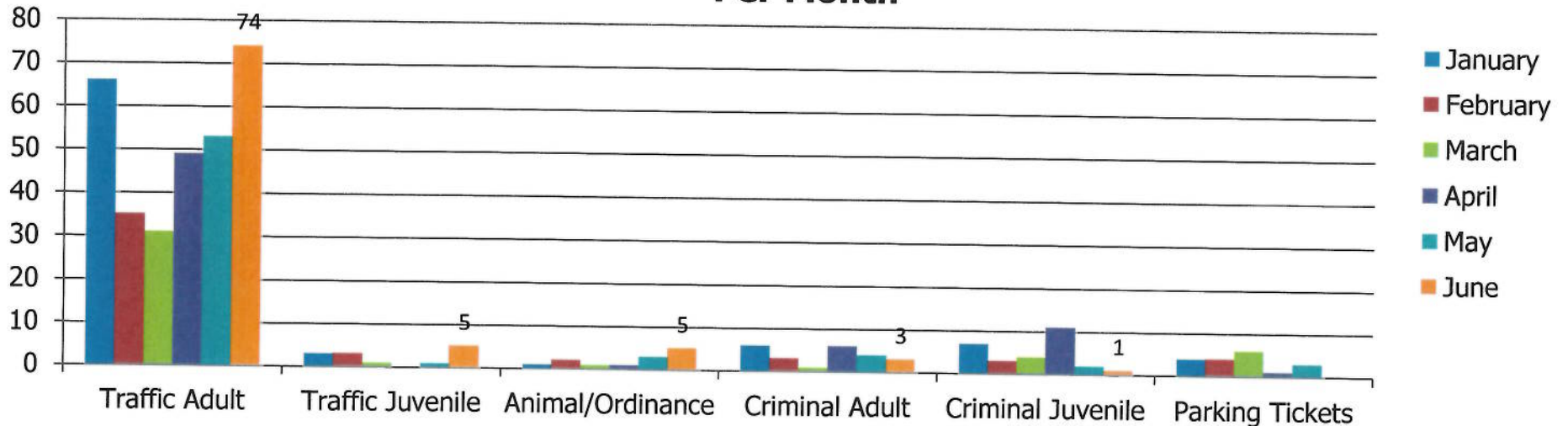
<b>TOTALS</b>	<b>JUNE</b>	<b>YEAR TO DATE</b>
<b>CITATIONS FILED</b>		
Traffic	42	209
Parking	2	16
Animal	0	5
Criminal/Ordinance	5	48
 <b>COURT ACTIVITY – JUNE</b>		
Court Appearances	19	
Early payments	16	
Guilty to original charge	7	
Guilty to amended charge	17	
Default Judgment	1	
Dismissed (Proof of Insurance)	6	
Default Judgments	1	
Not Guilty – Set for trial	0	
Failure to Appear	3	

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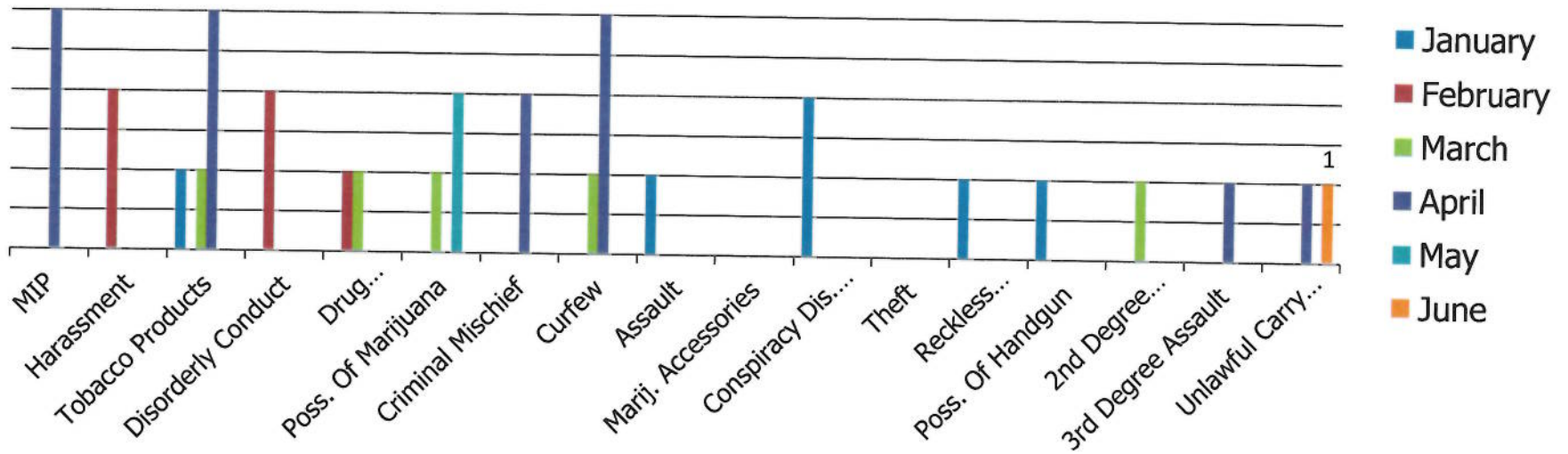
## Traffic Breakdown – June Docket 4-11-2016 – 5-9-2016



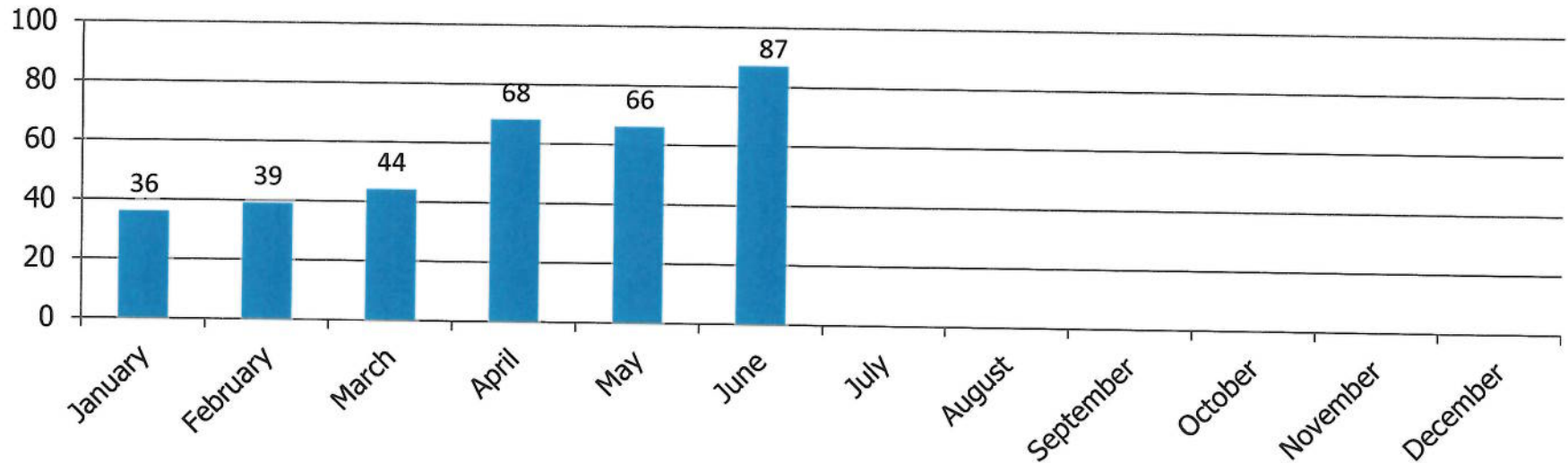
## Case Types Per Month



## Juvenile Criminal Cases By Month



## Citations Issued by Month





255 Weaver Park Rd., Suite 200 - Longmont, Colorado  
80501

POST OFFICE BOX 1079 80502-1079  
T (303) 776-1169 - F (303) 776-5444  
Samsonlongmontlaw.com

TO: Mayor and Trustees, Town of Frederick

FROM: Rick Samson

DATE: 7/20/16

RE: Status Report for July

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- Worked with Matt on several Project Apothecary issues.
- Attended development review committee meeting in July.
- Worked with Planning on Carriage Hills Apartments including a Land Use Code revision.
- Reviewed Diamond Spa's resubmitted final plat and site plan.
- Reviewed East Village final plat.
- Reviewed Sonic Plat.
- Reviewed Hauck Meadows Subdivision.
- Reviewed application for Imperial Condo Storage.
- Reviewed Home Base Garage Units site plan.
- Continuing working with McDonald's attorney regarding rights-of-way and curb cuts.
- Worked engineering on several deed issues.
- Worked with Meghan on committee structure.
- Worked with engineering on an agreement for water conservation.
- Worked with planning on a Prairie Greens owners' meetings issue.
- Prepared licensing agreement for Matt.
- Prepared draft resolutions for URA.
- Prepared draft Articles of Incorporation and by-laws for Downtown entity.





**TOWN OF FREDERICK BOARD OF TRUSTEES**  
**REGULAR BOARD MEETING MINUTES**  
**FREDERICK TOWN HALL, 401 LOCUST STREET**  
**JULY 12, 2016**

**Call to Order:** At 7:00 p.m. Mayor Carey called the meeting to order and requested roll call.

**Roll Call:** Present were Mayor Carey and Trustees Skates, Hudziak, Burnham, DeSantis and Figurilli. Mayor Pro Tem Brown was not present. Also present were Town Manager Matt LeCerf, Town Attorney Rick Samson, and Town Clerk Meghan Martinez.

**Pledge of Allegiance:** Mayor Carey invited everyone to join in the Pledge of Allegiance.

**Public Comment:**

Christopher Thomas 5383 Bear Court, Frederick, Colorado discussed the garden he planted in the public access area adjacent to his property. He asked the Board to allow the garden to remain.

Don Dunlavy 5381 Bear Court, Frederick, Colorado also addressed the public access area and indicated he had planted a barrier between his property and the weeds. He asked the Board allow him to keep the barrier.

Lynette Kilpatrick 20487 CR 33 LaSalle, Colorado introduced herself and indicated that she is running for Weld County Commissioner for District 3.

Todd Scholenleber 6804 Ponderosa Street Frederick, Colorado introduced himself as a new board member for the Carbon Valley Park and Recreation District. He is looking forward to working with the Board.

**Staff Reports:**

**Administrative Report:** Town Manager Matt LeCerf provided a written report to the Board.

**Town Clerk's Report:** Town Clerk Meghan Martinez provided a written report to the Board.

**Consent Agenda:**

Motion by Trustee Hudziak and seconded by Trustee Skates to approve the following items on the consent agenda:

- June 28, 2016 Minutes
- List of Bills

Upon roll call vote, motion passed unanimously.

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**Action Agenda:**

Resolution 16-R-45 Amending the Adopted 2016 Budget for the Town of Frederick and Making Supplemental Appropriations of Money to Provide for Additional Expenditures: Town Manager Matt LeCerf presented the proposed resolution. Motion by Trustee Burnham and seconded by Trustee Hudziak to table this item indefinitely. Upon roll call vote, motion passed unanimously.

Public Hearing Resolution 16-R-46 Approving the Eagle Business Park Urban Renewal Plan: Town Manager Matt LeCerf provided an overview of Urban Renewal in the Town of Frederick. Planner Chris Kennedy discussed the proposed resolution and urban renewal plan.

At 7:43 Mayor Carey opened the public hearing.

At 7:43 Mayor Carey closed the public hearing.

Motion by Trustee Hudziak and seconded by Trustee Burnham to approve Resolution 16-R-46. Upon roll call vote, motion passed 3-2 with Trustees DeSantis and Figurilli voting no.

**Mayor and Trustee Reports:**

Trustee Skates: Nothing at this time.

Trustee Hudziak: She attended the Miners Day Committee meeting and vendors are filling up quickly for the event. The parade route will be the same as last year and volunteers are much needed for the event. She also attended the DBA meeting and they have a great deal of questions regarding a 501(c)(3) status. The I-25 Coalition will be having a legislative meeting in December.

Trustee Figurilli: Nothing at this time.

Trustee DeSantis: Nothing at this time.

Trustee Burnham: He wished Mayor Carey a Happy Anniversary.

Mayor Carey: The water committee met recently and there seems to be some CBT water available.

Motion by Trustee Skates and seconded by Trustee Hudziak to direct staff to investigate the possibility of borrowing funds or issuing bonds to purchase water. Upon roll call vote, motion passed unanimously.

There being no further business of the Board, Mayor Carey adjourned the meeting at 7:52 p.m.

Approved by the Board of Trustees:

ATTEST:

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Tony Carey, Mayor

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Meghan C. Martinez, CMC, Town Clerk



# TOWN OF FREDERICK BOARD OF TRUSTEES ACTION MEMORANDUM

Tony Carey, Mayor

Laura Brown, Mayor Pro Tem  
Fred Skates, Trustee  
Salvatore "Sam" DeSantis, Trustee  
Trustee

Rafer Burnham, Trustee  
Donna Hudziak Trustee  
Rocky Figurilli,

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## Renewal of School Resource Officer Agreement with St Vrain Valley School District

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**Agenda Date:** Town Board Meeting – July 26, 2016

**Attachments:**

- a. Agreement for SRO services
- b. Resolution approving agreement for SRO services

**Finance Review:**

\_\_\_\_\_  
Finance Director

**Submitted by:**

/s/\_\_\_\_\_  
Police Chief

**Approved for Presentation:**

  
Town Manager

☐ Quasi-Judicial

☐ Legislative

☒ Administrative

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**Summary Statement:**

The police department provides School Resource Officers (SRO) for Frederick High School and for Thunder Valley K-8 School. The agreement with St Vrain Valley School District for the provision of School Resource Officer services has been in place for the past 15 years. The school district pays for half of the officers' compensation during the school term. The attached resolution authorizes the continuation of the agreement for the 2016-2017 school year.

**Detail of Issue/Request:**

School Resource Officers work in the schools to provide services to the students and to the school administration. The officers handle calls for service at their assigned schools, such as reports of child abuse or neglect, assault, theft, sex assault, bringing contraband substances into the school, carrying weapons, and others. The officers do not handle administrative matters involving student discipline. The

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officers provide an armed presence to enhance the security of the schools. All St Vrain Valley high schools, middle schools, and K-8 schools have a School Resource Officer.

**Legal Comments:**

The attached resolution was prepared by the Town Attorney.

**Alternatives/Options:**

An option would be to not have school resource officers in the schools.

**Financial Considerations:**

Not Applicable

**Staff Recommendation:**

Staff recommends that the resolution be approved.

**INTERGOVERNMENTAL AGREEMENT BETWEEN  
THE TOWN OF FREDERICK AND  
ST. VRAIN VALLEY SCHOOL DISTRICT RE-1J  
FOR A JOINT SCHOOL RESOURCE OFFICER PROGRAM**

THE AGREEMENT is made by and between the TOWN OF FREDERICK and ST. VRAIN VALLEY SCHOOL DISTRICT RE-1J (School District).

WHEREAS, the Town of Frederick, School District, and the community are significantly impacted by the demands placed upon them to address incidents and situations directly or indirectly related to juveniles and the schools; and

WHEREAS, the problems of delinquency, alcohol and substance abuse, gang involvement, and other youth related problems which negatively affect the community and the schools can best be addressed in a proactive and preventive manner; and

WHEREAS, the Town of Frederick and the School District have jointly developed a School Resource Officer Program to provide a school-based approach to the development of a positive relationship between students and the police and the prevention of delinquency, alcohol and substance abuse, and gang involvement by our community's young people; and

WHEREAS, such programs are recognized as being effective in the development of a positive relationship between law enforcement, faculty, and young people and in the prevention of delinquency;

NOW, THEREFORE, FOR AND IN CONSIDERATION of the covenants and agreements below appearing, the parties agree as follows:

**I.  
SCOPE OF SERVICES**

- A. The School Resource Officers shall be assigned to work with the administration, faculty, and students of Frederick High School, Thunder Valley K-8, Legacy Elementary School, Thunder Valley K-8, and SPARK! Discovery Preschool (Schools), and may perform functions including, but not limited to, the following:
1. Assist in the prevention and control of crime, delinquency, truancy, and disorder on the campuses and in the immediate area of the schools if students are involved.
  2. Conduct or assist in the investigation of offenses on campus.
  3. Provide presentations and available educational resources in the following areas: alcohol and substance abuse, law-related education, criminal justice system orientation, delinquency prevention, gang involvement and awareness, community responsibility, for students, parents, and other groups associated with the schools.

4. As requested by Schools' staff, provide instructional resources for classroom presentations, as time permits.
5. Enforce state statutes and municipal codes as appropriate.
6. Appear in court and assist in prosecution and other judicial processes as appropriate.
7. Assist in the coordination of efforts of other enforcement agencies on the campuses.
8. Provide visible presence on the campuses.
9. Assist campus monitors with appropriate monitoring and enforcement in the parking lots and other grounds of the schools.
10. Attend school-related functions during normal classroom hours. Officer may be asked to adjust his/her hours from time to time to attend social events such as school dances and sporting events, etc. This type of adjustment is generally reserved for the High School. This will not replace security and off-duty work already in place.
11. Contribute to the positive police-school-community relation efforts, especially as these efforts relate to students and parents.
12. Provide a monthly report of activities to the School District Security Manager.

## **II.**

### **PROGRAM ADMINISTRATION**

- A. **Employment.** The School Resource Officers shall be regular employees and certified police officers of the Town of Frederick. The Officers will be subject to the ordinances, policies, procedures, rules, regulations, directives, and orders of the Town of Frederick. The officers also will comply with the policies and regulations of the School District, to the extent that such policies and regulations are not in conflict with those of the Town of Frederick; are not in conflict with other terms contained herein or direction of the Town of Frederick; and are not in conflict with federal, state or town laws.
- B. **Salary and Benefits.** The School Resource Officers will receive salary and employee benefits and normally issued equipment and supplies from the Town of Frederick. The School Resource Officer Program is funded by the Town of Frederick and the School District. The School District agrees to pay \$24,291.84 which such amount is equal to one-half of the School Resource Officer Chad Seat's annual salary prorated for a nine (9) month school period and \$21,195.00 which such amount is equal to one-half of School Resource Officer Aaron Herbert's annual salary prorated for a nine (9) month school period. The School District agrees to pay a total of \$45,486.84 to the Town for the school period from August 16, 2016 to May 24, 2017 and which such amount is payable not more than 30 days after the Agreement has been executed.

- C. **Schedule.** The School Resource Officers will work a schedule, consistent with Town of Frederick policies and procedures, and subject to the Fair Labor Standards Act. Except as otherwise provided in this Agreement, during times when the Schools are in session, the School Resource Officers will devote such Officers' full shift to the school calendar day, except for required duties such as court appearances. During the Schools' summer vacation, spring break, holiday breaks, and on other days when the Schools are not in session, and the Officers are not involved in assigned School-related activities, the School Resource Officers will be assigned to duties in the Police Department. In the event of an emergency, as determined by the Town of Frederick, the School Resource Officers may be required to perform general law enforcement duties. The School Resource Officers shall attend in-service training conducted by the Town of Frederick scheduled throughout the year.
- D. **Supervision.** The School Resource Officers are subject to the Town of Frederick's chain of command and the supervision of the assigned Town of Frederick supervisors. Day-to-day supervision will be assigned to Town of Frederick supervisors. The assigned Town of Frederick supervisor will be responsible for maintaining contact with the principals, School administration, and their management staffs. The School Resource Officers will work closely with school administrators and faculty to determine the most effective use of the Officers' time and expertise, but shall not be subject to the supervision or direction by the School District, its officers, agents, or employees.
- E. **Performance Appraisal.** The School Resource Officers' performance will be evaluated consistent with the Town of Frederick policy and procedures by the assigned supervisor and will accept input from the Schools' principals or their designees.
- F. **Vehicle.** As necessary to the duties of the position, and subject to availability, the School Resource Officers will be provided on-duty use of a Town of Frederick vehicles.
- G. **Liability Coverage.** The Town of Frederick and School District shall exchange evidence of insurance showing general liability coverage for School District and general liability and professional coverage of Town of Frederick in the minimum amount of Colorado Governmental Immunity Act for protection from claims for bodily injury, death, property damage, or personal injury which may arise through the execution of this contract, through Town of Frederick's Risk Management and School District Superintendent. Such evidence shall be approved by each recipient prior to the commencement of this Agreement.
- H. **Termination.** This Agreement may be terminated without cause by either the Town of Frederick or School District upon 30 days' written notice. Upon termination, any funds provided by the School District shall be prorated and returned to the School District. Notice shall be given to the Town of Frederick Police Chief or the School District Superintendent as appropriate.
- I. **Entire Agreement.** This Intergovernmental Agreement contains the entire agreement of the parties. Amendments of this Intergovernmental Agreement may be made only in writing and signed by all parties hereto.

- J. **Relationship of the Parties.** It is mutually agreed and understood that nothing contained in this Intergovernmental Agreement is intended or shall be construed as in any way establishing the relationship of co-partners or a joint venture between the Town of Frederick and School District or as construing the School District, including its officers, agents, volunteers and employees, as an agent of the Town of Frederick. The School District shall not represent that the School Resource Officers as employees or agents of the School District in any capacity. The School Resource Officers shall not represent that they are employees or agents of School District in any capacity. The School Resource Officers shall remain solely employees of the Town of Frederick.
- K. **Third Party Beneficiaries.** None of the terms or conditions in this Intergovernmental Agreement gives or allows any claim, benefit, or right of action by any third person not a party hereto. Any person other than the Town of Frederick or School District receiving services or benefits under this Contract is only an incidental beneficiary. Nothing in this Intergovernmental Agreement shall be deemed as a waiver of immunity or liability limits granted to the Town of Frederick and the School District under the Colorado Governmental Immunity Act.

### **III. TERM OF CONTRACT**

The terms of this agreement shall begin August 16, 2016, and shall continue through May 24, 2017.

**PRESERVATION OF IMMUNITY.** Nothing in this Agreement shall be construed: (i) as a waiver by either party of immunity provided by common law or by statute, specifically including the Colorado Governmental Immunity Act, Section 24-10-101, *et seq.*, C.R.S., as it may be amended from time to time; (ii) as creating an assumption of any duty or obligation with respect to any third party where no such duty previously existed; or (iii) as creating any rights enforceable by such third parties.

EXECUTED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2016.

\_\_\_\_\_  
Tony Carey  
Mayor  
Town of Frederick

\_\_\_\_\_  
Don Haddad, Ed.D.  
Superintendent of Schools  
St. Vrain Valley School District RE-1J

ATTEST:

\_\_\_\_\_  
Town Clerk  
Town of Frederick



**TOWN OF FREDERICK, COLORADO  
RESOLUTION NO. 16-R-47**

**A RESOLUTION OF THE TOWN OF FREDERICK, COLORADO,  
FOR THE INTERGOVERNMENTAL AGREEMENT BETWEEN THE TOWN  
OF FREDERICK AND THE ST. VRAIN VALLEY SCHOOL DISTRICT RE1J  
FOR A JOINT SCHOOL RESOURCE OFFICER PROGRAM**

**WHEREAS**, the Town of Frederick ; and the St. Vrain Valley School District RE1J have jointly developed a school resource officer program to provide a school-based approach to the development of a positive relationship between students and the police and the prevention of delinquency, alcohol and substance abuse, and gang involvement among students; and

**WHEREAS**, the problems of delinquency, alcohol and substance abuse, gang involvement, and other youth related problems which negatively affect the community and the schools can best be addressed in a proactive and preventive manner; and

**WHEREAS**, such programs are recognized as being effective in the development of a positive relationship between law enforcement, faculty, and young people and in the prevention of delinquency;

**NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE  
TOWN OF FREDERICK, WELD COUNTY, COLORADO THAT;**

**Section 1.** The Town of Frederick hereby ratifies, approves and confirms the terms and conditions of the Intergovernmental Agreement between The Town of Frederick, Colorado and the St. Vrain Valley School District RE1J, a copy of which is attached hereto and made a part hereof..

**Section 2.** The Board of Trustees hereby authorizes the Mayor and the Town Clerk to execute the foregoing Intergovernmental Agreement.

**Section 3. Effective Date.** This resolution shall be become effective immediately upon adoption.

**Section 4. Repealer.** All resolutions, or parts thereof, in conflict with this resolution are hereby repealed, provided that such repealer shall not repeal the repealer clauses of such resolution nor revive any resolution thereby.

**Section 5. Certification.** The Town Clerk shall certify to the passage of this resolution and make not less than one copy of the adopted resolution available for inspection by the public during regular business hours.

**INTRODUCED, READ, PASSED, AND ADOPTED THIS 26TH DAY OF JULY, 2016.**

**ATTEST:**

**TOWN OF FREDERICK**

By \_\_\_\_\_  
Meghan C. Martinez, CMC, Town Clerk

By \_\_\_\_\_  
Tony Carey, Mayor



# TOWN OF FREDERICK BOARD OF TRUSTEES INFORMATION MEMORANDUM

Tony Carey, Mayor

Laura Brown, Trustee  
Fred Skates, Trustee  
Salvatore "Sam" DeSantis, Trustee

Rafer Burnham, Trustee  
Donna Hudziak, Trustee  
Rocky Figurilli, Trustee

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## Discussion of Financing Options for Acquisition of Water

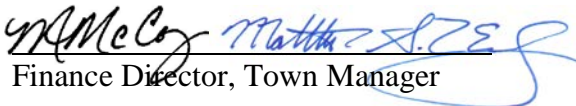
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**Agenda Date:** Town Board Meeting - July 26, 2016

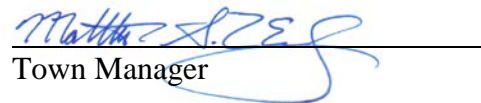
**Attachments:** a. None

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**Submitted by:**

  
Finance Director, Town Manager

**Approved for Presentation:**

  
Town Manager

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### **Detail of Issue/Request:**

At the July 12, 2016 board meeting staff was directed to provide information at the next board meeting related to financing options for borrowing money to purchase additional water. This is based a large part based on the current interest rates for borrowing money is very low.

As all Board members are aware, the need for water shares in our dry climate is critical as the community continues to grow in a rapid, but controlled pace. Having water in our possession only helps to facilitate the goals and objectives that are outlined by the Board and to reach the objectives of the comprehensive plan based on feedback from citizens of our community. The comprehensive plan was approved in 2016. Our Finance Director reached out to several entities for options pertaining to borrowing of money for the Town's Water Enterprise Fund to purchase additional water.

We have utilized George K. Baum for bonding of money, most notably our existing debt services associated with Colorado Boulevard. Also, we have used conventional loans as an alternative for projects such as large equipment and our public works building. Based on the analysis and borrowing of \$10 million, bond money would cost the Town an all in interest rate of 2.68% for a term of 20 years. The payment for this amortization would be \$637,000 per year. Through a bank, interest rates range anywhere from 2.3% - 2.5% on a 20 year term. Payments would range from \$629,000 - \$641,000.

### **Summary of Narrative**

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<u>Debt Type</u>	<u>Lender/Broker</u>	<u>Interest Rate</u>	<u>Term</u>	<u>Average Payment</u>	<u>Notes</u>
Revenue Bonds	George K Baum	2.68%	20 years	637,000	Can set up with lower payments that gradually increase if desired
Loan	Wells Fargo	2.30% - 2.50%	20 years	629,415 - 641,472	

Staff has looked at our water fund balance sheet and based on historical budget figures with assumptions of nominal increases in future projected budgets this payment can be absorbed through the general operations. One other item of potential volatility for the Board to keep in mind though is the weather. If we happen to have a wet summer in the future, the revenues could be affected substantially. If the Board were to consider additional water purchases in the future, it may be necessary to increase water rates beyond our annual percentage increase. This also takes into consideration that we have additional future water projects on the horizon including NISP and Windy Gap which will necessitate financing components.

Timing to have funds available for the purchase is estimated at 60-90 days. We could secure the water, make the purchase, and reimburse ourselves so there is no delay in the acquisition based on the urgency of the seller/broker and the window that may be necessary to acquire the funds.

#### **Legal Comments:**

Any borrowing of money through the enterprise fund would not be subject to TABOR as the water fund is classified as an enterprise fund.

#### **Alternatives/Options:**

It should be realized that debt service payments are scalable so if the Board desired to borrow \$7.5 million the cost would be 75% of the numbers that are provided. Conversely, if the Board wanted to borrow \$12 million this would be 120% of the value provided.

#### **Financial Considerations:**

Future purchasing of water may be restricted to the extent that a water rate increase would need to be considered beyond the existing 5% annually for the next four years coming.

#### **Staff Recommendation:**

This memo is provided as information only at this time and welcomes the discussion with the Board to gain direction on if the Town Board would like staff to move forward on securing water.